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**WHITE PLAINS RESTAURATEUR INDICTED BY FEDERAL GRAND
JURY ON TAX EVASION AND BANKRUPTCY FRAUD CHARGES**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, MARK J. MERSHON, the Assistant Director in Charge of the New York Office of the FBI, and MICHAEL J. THOMAS, the Special Agent in Charge of the New York Field Office of the IRS, announced the unsealing today in Manhattan federal court of an Indictment charging LOUIS P. GIGANTE with tax evasion and bankruptcy fraud charges arising from concerted efforts by GIGANTE to avoid payment of a debt to the IRS of more than \$1 million arising from unpaid federal income taxes.

In the process, GIGANTE attempted to conceal hundreds of thousands of dollars in assets from the federal government.

GIGANTE is the owner of Mulino's restaurant located in White Plains, New York, and the majority owner of Capricorn Limousine Service, a limousine company that operates throughout the New York City area.

According to the Indictment, GIGANTE failed to pay more than \$230,000 in federal income tax for the calendar years 1986 through 1991 and 1994. In an effort to collect the delinquent taxes, the IRS filed numerous tax liens against GIGANTE. To avoid payment of the tax debts to the IRS, GIGANTE then allegedly took numerous steps to fraudulently conceal his assets from the IRS.

For example, according to the Indictment, in 1993, GIGANTE formed Mulino's of Westchester, Inc., a corporation that operates Mulino's restaurant. In an effort to conceal from the IRS his sole ownership of Mulino's, GIGANTE falsely represented in the New York State corporate filings that he owned only 2% of the corporation, and GIGANTE falsely represented that another individual owned the remaining 98% of the corporation.

Similarly, according to the Indictment, GIGANTE took steps to hide from the IRS his ownership of a home located at 103 Succabone Road, in Bedford Hills, New York. GIGANTE purchased the home in October 1995 entirely with his own assets, but GIGANTE conducted the transaction in the name of a third person in order to hide his home ownership from the IRS.

Also according to the Indictment, GIGANTE falsely under-reported to the IRS his personal income from his businesses for

calendar years 1998 through 2001 while diverting some of his income to a co-conspirator.

In November 1998, GIGANTE filed for personal bankruptcy in the United States Bankruptcy Court for the Southern District of New York. According to the Bankruptcy Court filings, GIGANTE acknowledged that he owed the IRS approximately \$1,000,946, and GIGANTE claimed that his liabilities totaled approximately \$1,225,280. In the same filings, GIGANTE allegedly stated falsely that his assets totaled just \$3,302 and that his current annual income totaled approximately \$67,600, and GIGANTE specifically falsely stated that his interest in Capricorn Limousine Service had no current market value. According to the Indictment, at the time, GIGANTE possessed assets totaling at least \$500,000, including his ownership interests in Mulino's restaurant and Capricorn Limousine Service, and GIGANTE's current annual income exceeded \$100,000.

On December 22, 1998, GIGANTE appeared before a United States Trustee and provided sworn testimony in connection with his bankruptcy action. As charged in the Indictment, GIGANTE made a number of misrepresentations to the Bankruptcy Court, including among other things, that his limousine company, Capricorn Limousine Service, had no current value and that GIGANTE owned no real property. Relying in part on this false testimony, the Bankruptcy Court entered an order on March 26, 1999, releasing GIGANTE from all dischargeable debts.

The Indictment also alleges that on February 22, 1999, GIGANTE brought a related proceeding in the United States District Court for the Southern District of New York seeking to have his debts to the IRS declared dischargeable in his bankruptcy action. According to the Indictment, GIGANTE filed with the District Court a document in which he falsely declared that he failed to pay his past tax obligations because he had insufficient income. Relying in part on this false declaration, the District Court entered an order on June 28, 1999, declaring that GIGANTE's tax debts were dischargeable in bankruptcy.

The Indictment charges GIGANTE with one count of tax evasion and nine counts related to fraud in the bankruptcy proceedings. Each count carries, upon conviction, a maximum penalty of 5 years in prison. In addition, GIGANTE faces, upon conviction, a fine on each count of \$250,000 or twice the gross gain or loss caused by his crimes. If convicted, GIGANTE will also be required to pay restitution for the losses caused by the fraud. In addition, the Indictment seeks forfeiture of GIGANTE's assets, including his home, located at 103 Succabone Road, Bedford Hills, New York, and GIGANTE's business interests in Mulino's of Westchester, Inc. and Capricorn Limousine Service, Inc., as well as GIGANTE's interest in two real estate holding companies, Capricorn

Realty LLC and Capricorn Leasing LLC, each of which owns real property in Long Island City, Queens.

GIGANTE was arrested this morning in Bedford Hills, New York, by agents of the FBI. He will be arraigned this afternoon before a United States Magistrate Judge in Manhattan federal court. The case was assigned to United States District Judge DENNY CHIN, who set an initial pretrial conference for Thursday, August 11, 2005, at 3 P.M.

GIGANTE, 56, resides in Bedford Hills, New York.

Mr. KELLEY praised the efforts of the Federal Bureau of Investigation and the Internal Revenue Service for their investigation of this case.

Assistant United States Attorneys TIMOTHY J. TREANOR and BENJAMIN GRUENSTEIN are in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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